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IN THE

Supreme Court of the United States

OCTOBER TERM, 1948.

No. 361

MASTER METAL STRIP SERVICE, INC. AND MARTIN J. GOSSEN,

Petitioners,

vs.

PROTEX WEATHERSTRIP MFG. CO., A CO-PARTNERSHIP CONSISTING OF JOHN W. MOUSTAKAS, ALIAS JOHN WEST, CATHERINE MOUSTAKAS, AND LOUIS MOUSTAKAS,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT AND SUPPORTING BRIEF.

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Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

To the Honorable the Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

Your petitioners, Master Metal Strip Service, Inc. and Martin J. Gossen, respectfully pray for a writ to the United States Court of Appeals for the Seventh Circuit to review the judgment entered by that Court on July 1, 1948.

The transcript of record in the case, including the proceedings in the United States Circuit Court of Appeals, is furnished forthwith in accordance with Rule 38 of the rules of this court.

Note: Unless otherwise noted, emphasis by brief writer.

SUMMARY AND SHORT STATEMENT.

Petitioners, as co-plaintiffs, filed suit against respondent for patent infringement. The complaint (R. 2) as originally filed charged respondent with infringement of all of the claims of Letters Patents No. 2,158,963 (R. 351) and 2,257,051 granted to the petitioner Gossen.

Respondent filed answer (R. 5) to the complaint and concurrently therewith sought declaratory judgment (R. 14) with respect to the Gossen patents 2,158,963 and 2,257,051, as well as a third Gossen patent 2,101,577 not included in the complaint.

Subsequently and before trial, the petitioners amended their complaint to add thereto Paragraph VIII A (R. 44) charging the respondent with contributing to the infringement of claims 1, 2, 3, 5, 6, and 8 of Patent No. 2,158,963, and claims 1, 2, 3, 4, 8, 9, 10, and 11 of Patent No. 2,257,051.

Respondent filed answer (R. 49) denying the charge of contributory infringement and concurrently therewith filed a counterclaim (R. 50) charging petitioners with violation of the Federal Anti-Trust Laws, particularly Title 15, Sec. 1, 2, 3, 4, 15, and 26, U. S. C. A.*

To this counterclaim petitioners filed answer (R. 54) denying the asserted violation of the Anti-Trust Laws.

Thereafter and before trial, petitioners gave notice (R. 59) to respondent that of the claims asserted by petitioners' amended complaint to be infringed, petitioners would at the trial rely solely upon claims 1 and 2 of Gossen patent No. 2,158,963, in suit as the basis of petitioners' charge of infringement sufficient for the cause.

On September 12, 1947, the District Court filed its opin-

* See Appendix.

ion (R. 322) holding claims 1 and 2 invalid for want of invention and adjudging petitioners in violation of the Federal Anti-Trust Laws as charged in respondent's counterclaim and ordering an accounting for damages, if any, suffered by respondent and granting an injunction barring petitioners from maintaining this action (R. 330).

Petitioners appealed to the United States Circuit Court of Appeals for the Seventh Circuit only as to that portion of the judgment (R. 330) with respect to the validity of claims 1 and 2 of Gossen patent 2,158,963 and the charge of violation of the Federal Anti-Trust Laws. That court by its decision (R. 408) dated July 1, 1948, affirmed the judgment of the trial court.* On September 24, 1948, that court denied a petition for rehearing (R. 414).

The Gossen patent No. 2,158,963 (R. 351) relates to a weatherstrip and sash balance. Such weatherstrip and sash balance device by the specification and drawings of the patent is described, and by claims 1 and 2 thereof defined, as comprising a window frame having a sash slidably mounted therein. This sash has frictional and slidable engagement with tubes attached to the frame and projecting into grooves formed in the side rails of the sash. In these tubes are arranged sash balance springs having corresponding end portions attached to the sash and opposite corresponding end portions attached to the tubes whereby the tubes and springs may be assembled together and with the sash prior to the installation of the sash in the frame.

On July 18, 1939, petitioner Gossen granted to the predecessor of the petitioner corporation the exclusive

* The judgment of the trial court (R. 331) dismissed the complaint with respect to claims 3 to 8 inclusive of Patent 2,158,963, and claims 1 to 11 inclusive of Patent 2,257,051, and claims 1 to 8 inclusive of Patent 2,101,577, with prejudice.

"license* and right to manufacture and sell weather-strip and sash balance devices *embodying the invention shown, described and claimed in Licensor's Patent No. 2,158,963 aforesaid and any and all improvements thereon* * * *."

The petitioner corporation and its predecessor have for more than ten years been operating under this license. Such license was introduced in evidence by petitioners at the trial of this cause to establish their joint interest in the patent in suit and their right to join in this suit as co-plaintiffs.

As consideration for such exclusive license the licensee agreed to pay to the petitioner Gossen a royalty. Such royalty by Paragraph 2 of the license was calculated on the number of feet of material sold by the petitioner corporation.

The petitioners in good faith and believing that this license extended to all of the claims of the patent in suit, particularly claims 1 and 2, joined as co-plaintiffs in bringing this suit. In this connection, petitioner Gossen when before the trial court, on direct examination testified (R. 80) that he had granted a license and right to manufacture and sell the subject matter of the patent in suit to Maurice S. Oftedal with the right to extend such license to petitioner corporation and that he recognized the petitioner corporation as the exclusive licensee under the patent in suit.

The defendant offered no evidence that the plaintiffs or either of them had committed any acts in restraint of trade in violation of the Federal Anti-Trust Laws or that defendant or the public was in any way damaged by reason of the patent license in question. Defendant relied solely upon the license, Plaintiffs' Exhibit 8, the contents of which license were brought to the defendant's attention

* See Appendix.

at the time it was introduced in evidence at the trial of this cause for the purpose hereinbefore stated.

The petitioner corporation manufactures and sells a weatherstrip and sash balance spring adapted to be combined in the manner defined by claims 5 and 6 of the Gossen patent 2,158,963 (R. 357) for association with a window frame and sash in the manner set forth in claims 1 and 2 sued upon and as illustrated in petitioners' nationally circulated advertisement (R. 265). Petitioner corporation does not sell either the window frame or sash illustrated in such advertisement and included in the combination of claims 1 and 2.

Claims 5 and 6, above referred to, were put in issue by Paragraph VIII A of the complaint as amended (R. 44) but were subsequently withdrawn from issue by petitioners' bill of particulars (R. 59), thereby leaving in issue only claims 1 and 2. Claims 1 and 5 appear in the Appendix.

The respondent, like petitioners, sells a weatherstrip and sash balance spring related to each other for arrangement in combination with a window frame and sash in the manner illustrated in its nationally circulated advertisement (R. 239-241). Respondent, like petitioners, does not manufacture either the window frame or sash.

The trial court in its opinion said of the petitioners' license (R. 324):

> "Gossen grants to the Master Metal Strip Service Co. (or rather to one Maurice S. Oftedal doing business as the Master Metal Strip Service Co., incorporation not having taken place at that time) the exclusive right to manufacture and sell, not the patented combination, but weather strip and sash balancing devices. As compensation the grantee agreed to pay Gossen one-half cent per foot for the first one million feet of material sold each year by the licensee, no royalty on the second million feet, but on all material over said two million feet, one and a half cent per foot.

"Here Gossen has granted a license, not for the manufacture and sale of his patented combination, but of a single element of that combination, an element that is unpatented and probably unpatentable. How far may he go in granting exclusive licenses to produce the various elements of his patent? May he limit the production of grooved sashes, or coiled springs?

"Under the doctrine announced in the Mercoid cases, I am of the opinion he has attempted to establish an illegal monopoly in the sale of this weather stripping and is therefore barred from maintaining this action."

Thereupon the trial court found by Finding of Fact 7 (R. 326):

"(7) Under the terms of the exclusive license agreement (Plaintiffs' Exhibit No. 8) the plaintiff, Martin J. Gossen, granted to Maurice J. Oftedal, doing business as Master Metal Strip Service Co., the predecessor in business and in interest of the corporate plaintiff, Master Metal Strip Service, Inc., the exclusive right to manufacture and sell, *not the patented combination defined in and by claims 1 and 2 of patent No. 2,158,963, in suit, but the weatherstrip and sash balance devices embodying the inventions shown, described and claimed in this patent* and which constitute a single element of the combination recited in claims 1 and 2 of the Gossen patent No. 2,158,963 in suit, and which is exemplified by plaintiffs' commercial weatherstrip (Plaintiffs' Exhibit No. 13)."

The trial court then concluded (R. 329):

"(6) In and by their license agreement of July 18, 1939 (Plaintiffs' Exhibit 8) and their operations thereunder, and in bringing this action, the plaintiffs have attempted to and have conspired to maintain an illegal monopoly, and have combined in restraint of trade in an unpatented article of commerce, namely a metal weatherstrip-sash balance device, as exemplified by Plaintiffs' Exhibit No. 13, and in so doing the plaintiffs have violated the Anti-Trust Laws of the United States (Title 15, U. S. C. A., Sections 1, 2, 3, 4, 15 and 26)."

In affirming the trial court's judgment with respect to the holding of violation of the Anti-Trust Laws of the United States, the Circuit Court of Appeals said (R. 413):

> "We are of the opinion that the evidence fully supports the District Court's conclusions and judgment as to appellants' violation of the Anti-Trust laws of the United States. We base our conclusions in this respect upon the case of *Mercoid Corporation* v. *Mid-Continent Investment Co.*, 320 U. S. 661. Appellants seek to distinguish that case from the one at bar. We are unable to grasp such distinction."

JURISDICTION.

1. The decision of the Circuit Court of Appeals was rendered July 1, 1948 (R. 408).

2. A petition for rehearing was denied by the Circuit Court of Appeals on September 24, 1948 (R. 414).

3. The jurisdiction of this court is invoked under Section 240(a) of the Judicial Code as amended by the Act of February 13, 1925 (28 U.S.C. Sec. 347) and Sec. 5(b) of Rule 38 of this court.

QUESTION PRESENTED.

The decision of the Circuit Court of Appeals for the Seventh Circuit presents the following question:

Do a patent owner and licensee act against public policy in restraint of trade and in violation of the Federal Anti-Trust Laws by their operations under a patent license which, contrary to their mutual belief and understanding, has been interpreted, in a suit, brought by the patent owner and licensee as co-plaintiffs, for infringement of certain

claims of the patent, as a license which does not extend to all of the claims of the patent, particularly the certain claims sued upon?

REASONS RELIED UPON FOR ALLOWANCE OF THIS PETITION.

The discretionary powers of this court to grant writ of certiorari are invoked under Rule 38 of this court, for the following reasons:

1. The decision of the Court of Appeals for the Seventh Circuit, holding that a patent owner and a licensee by operating under a license which the lower court has interpreted as a license to manufacture and sell devices not embodying the combinations defined by the claims of the patent which were sued upon, but inventions set forth in certain of the other claims of that patent which were not in issue, and by bringing such suit, have attempted to create an illegal monopoly in restraint of trade in an unpatented article of commerce in violation of the Federal Anti-Trust Laws, is a new and extended application of such laws. So far as petitioners can determine, it is the only decision which has so interpreted the Federal Anti-Trust Laws, and has so expanded the principle announced by this court in the *Mercoid* cases (320 U. S. 661, 680) as to include within their restrictive provisions such a license.

2. The Court of Appeals for the Seventh Circuit by its decision has decided an important question of great public interest on the Federal Anti-Trust Laws involving the expansion of the principle announced by this court in the *Mercoid* cases (320 U. S. 661, 680) and other cases. Such question has not been but should be settled by this court. So far as petitioners can determine, neither this nor any

other court has interpreted the Federal Anti-Trust Laws to include within its restrictive provisions a license such as here involved.

3. If the decision of the Circuit Court of Appeals for the Seventh Circuit is allowed to stand without review by this court, confusion and doubt will exist in the minds of patent owners and licensees with respect to whether they are to be subjected to a charge of violation of the Federal Anti-Trust Laws by joining as co-plaintiffs in a patent suit for infringement, should it be developed that the license on which they predicate their joint interests giving them the right to join as co-plaintiffs, is a license which does not extend to all of the claims of the patent, particularly those claims of such patent which were sued upon.

WHEREFORE, it is respectfully submitted that this petition for writ of certiorari to the Circuit Court of Appeals for the Seventh Circuit should be granted.

Respectfully submitted,

MASTER METAL STRIP SERVICE, INC., and
MARTIN J. GOSSEN,

Petitioners,

By CLARENCE E. THREEDY,
111 West Washington St.,
Chicago, Illinois,
Their Attorney.

NUNZIO GIAMBALVO,
Of Counsel.

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Respondent.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

To the Honorable the Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

The decision of the Court of Appeals now sought to be reviewed, was entered July 1, 1948 (R. 408).

Jurisdiction of this court is invoked under Section 240(a) of the Judicial Code as amended by the Act of February 13, 1925 (28 U. S. C. Sec. 347) and Sec. 5(b) of Rule 38 of this court.

STATEMENT OF THE CASE.

To avoid repetition, reference is hereby made to the statement on pages 2-7, *supra*, of the Petition for Writ of Certiorari.

SPECIFICATION.

The following is the alleged error of the United States Circuit Court of Appeals which will be urged before this court:

The Circuit Court of Appeals erred in affirming the trial court's judgment to the effect that petitioners in and by their license agreement of July 18, 1939 and their operations thereunder and in bringing their action, have attempted to and have conspired to maintain an illegal monopoly and have combined in restraint of trade in an unpatented article of commerce, namely, an unpatented weatherstrip sash balance device and, in so doing, petitioners have violated the Anti-Trust laws of the United States (Title 15, U. S. C. A., Sec. 1, 2, 3, 4, 15 and 26).

ARGUMENT.

Petitioners by their petition for writ of certiorari do not seek a review by this court of the judgment of the Circuit Court of Appeals with respect to the validity of the claims of the Gossen patent which were sued upon. They seek a review by this court solely of that part of the judgment of the Circuit Court of Appeals holding that petitioners by their license and their operations thereunder and by bringing this suit have attempted to create an illegal monopoly in restraint of trade of an unpatented article of commerce in violation of the Federal Anti-Trust Laws.

Petitioners by their petition for writ of certiorari desire no retrial of the facts but merely seek a proper application of the law to those facts.

The Circuit Court of Appeals by its decision has decided an important question of great public interest on the Federal Anti-Trust Laws involving the expansion of the principle announced by this court in the *Mercoid* cases, 320 U. S. 661, 680.

By its decision, the Circuit Court of Appeals has extended such principle to apply to a license which has been interpreted by the lower court to grant the right to manufacture and sell devices embodying not the combination of the claims of the patent which were sued upon, but rather the inventions defined by other claims of that patent which were not in suit. This notwithstanding petitioners' belief that such license extended to all of the claims of such patent and that they were entitled to join as co-plaintiffs in a suit for infringement of such patent.* This is a new and extended application of the Federal Anti-Trust Laws.

* With respect to this license, the petitioner Gossen, when before the trial court, on direct examination testified (R. 80) that

If the decision of the Circuit Court of Appeals is allowed to stand a state of confusion and uncertainty in the minds of patent owners and licensees will result. They will be confused as to whether they are to be open to a charge of violation of the Federal Anti-Trust Laws, should it develop that, contrary to their belief and their mutual understanding, their license does not extend to the claims of the patent upon which they have elected to sue as co-plaintiffs—or whether they are merely to be held to have no joint interest in such claims such as entitles them to join as co-plaintiffs in a suit for infringement of such claims and therefore necessitating the dismissal of the complaint for lack of interest.

This confusion and uncertainty can only be dissipated by a review by this court of that portion of the judgment of the Court of Appeals with respect to the holding of violation of the Anti-Trust Laws of the United States.

For these reasons, to the patent profession and to all patent owners and licensees the question presented is of great public importance and should be settled by this court.

Furthermore, the question presented by the petition for writ of certiorari is novel. To petitioners' knowledge neither this nor any other court has held that a license which does not extend to all of the claims of a patent runs afoul of the Federal Anti-Trust Laws where it subsequently develops that the question of infringement revolves around those claims of such patent, to which claims the license is found not to extend.

The novel and important question presented is also important to the administration of the Federal Anti-Trust

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he had granted a license and right to manufacture and sell the subject matter of the patent in suit to Maurice S. Oftedal with the right to extend the license to the petitioner corporation and that he recognized the petitioner corporation as the exclusive licensee under the patent in suit.

Laws. It involves, as before pointed out, a new and extended application of those laws.

Upon these premises, this court, notwithstanding the lack of conflict of decisions, should not hesitate to exercise its power of review. *Bacardi Corporation of America* v. *Domenech, Treas. et al.*, 311 U. S. 150; *Sola Electric Company* v. *Jefferson Electric Company*, 317 U. S. 173; *Sheldon* v. *Metro-Goldwyn Pictures Corporation*, 309 U. S. 390; *Jacob Siegel Co.* v. *Federal Trade Commission*, 327 U. S. 608.

PRAYER.

Wherefore, your petitioner prays that its petition be granted; that a writ of certiorari be issued and the case reviewed and the judgment of the Circuit Court of Appeals, in so far as it relates to holding the petitioners guilty of violation of the Federal Anti-Trust Laws, be reversed.

Respectfully submitted,

MASTER METAL STRIP SERVICE, INC. and
MARTIN J. GOSSEN,

Petitioners,

By CLARENCE E. THREEDY,
Their Attorney.

NUNZIO GIAMBALVO,
Of Counsel.

APPENDIX.

Sections 1 and 3 of the Sherman Act of July 2, 1890, 26 Stat. 209, as amended (15 U.S.C.) read as follows:

SEC. 1. Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States or with foreign nations, is hereby declared to be illegal: Provided, That nothing herein contained shall render illegal, contracts or agreements prescribing minimum prices for the resale of a commodity which bears, or the label or container of which bears, the trade mark, brand, or name of the producer or distributor of such commodity and which is in free and open competition with commodities of the same general class produced or distributed by others, when contracts or agreements of that description are lawful as applied to intrastate transactions, under any statute, law, or public policy now or hereafter in effect in any State, Territory, or the District of Columbia in which resale is to be made, or to which the commodity is to be transported for such resale, and the making of such contracts or agreements shall not be an unfair method of competition under section 5, as amended and supplemented, of the Act entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914; Provided further, That the preceding proviso shall not make lawful any contract or agreement, providing for the establishment or maintenance of minimum resale prices on any commodity herein involved, between manufacturers, or between producers, or between wholesalers, or between brokers, or between factors, or between retailers, or between persons, firms, or corporations in competition with each other. Every person who shall make any contract or engage in any combination or conspiracy hereby declared to be illegal shall be deemed guilty of a misdemeanor, and, on con-

viction thereof, shall be punished by fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

SEC. 3. Every contract, combination in form of trust or otherwise, or conspiracy, in restraint of trade or commerce in any Territory of the United States or of the District of Columbia, or in restraint of trade or commerce between any such Territory and another, or between any such Territory or Territories and any State or States or the District of Columbia, or with foreign nations, or between the District of Columbia and any State or States or foreign nations, is hereby declared illegal. Every person who shall make any such contract or engage in any such combination or conspiracy, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

The "granting clause" of petitioners' license agreement, Plaintiffs' Exhibit 8 (R. 256), reads as follows:

"1. Licensor hereby grants unto Licensee the license and right to manufacture and sell weather strip and sash balance devices embodying the inventions, shown, described and claimed in Licensor's Patent No. 2,158,963 aforesaid and any and all improvements thereon, said license, subject to the outstanding contract between Licensor and the Sager Weather Strip and Calking Corporation of Chicago, Illinois, to be exclusive to Licensee for the United States of America and the Dominion of Canada, excepting the entire State of Wisconsin in the United States of America, in which latter territory Licensor reserves and retains all rights granted to him by virtue of and under his patent aforesaid, Licensee agreeing not to manufacture the devices of this agreement in said territory or to sell or distribute the same in said territory except by or through Licensor; the license and right herein granted to Licensee to remain in full force and effect during the life of Licensor's Patent No. 2,158,963 and

Patent No. 2,101,577 aforesaid, plus any amendments to or re-issuances thereof, or any improvements thereon, unless sooner terminated by the parties hereto by cancellation in the manner hereinafter provided or by mutual consent or by operation of law or otherwise."

Claim 1 of Patent 2,158,963.

1. In combination,
a window frame (1),
a sash (2) slidably mounted within said frame (1),
tubes (4) secured within the frame (1) at the sides of the sash (2) and each tube (4) having a bottom wall (8) and laterally spaced side walls (7),
the side walls (7) of the tubes (4) being free of the frame (1) and extending into grooves (5) on the adjacent side portions of the sash (2),
said side walls (7) having a spring tension connection with their bottom walls (8) so that the side walls (7) may press laterally against the sash (2) within the grooves (5) to frictionally hold the sash (2) in any position of adjustment within the frame (1),
flange formations (15) along the side walls (7) within the grooves (5),
said flanges (15) extending inwardly from the side walls (7) and terminating short of each other between the side walls (7) to provide slots (14) along the tubes (4) within the grooves (5),
and coiled lifting springs (10) located within the tubes (4) and fixed at one end (13) as to the tubes (4) and connected

at their other ends (17) to the sash (2) through the slots (14) in the tubes (4), said flanges (15) extending over the springs (10) and retaining the same within the tubes (4) in all positions of adjustment of the sash (2) within the frame (1).

Claim 5 of Patent 2,158,963.

5. A combination sash balance and weatherstrip device comprising:

a tubular member 4 constituted of a single piece of spring tension sheet material formed to have a bottom wall 8,

laterally spaced side walls 7,

flange formations 9 and 15 along the inner and outer margins of said side walls 7,

the flange formation 9 along the inner margins of the side walls integrally connecting the side walls 7 to the bottom wall 8 and extending laterally beyond said side walls to provide securing strips 9 along the side of the member 4,

the flange formations 15 along the outer margins of the side walls 7 being integrally connected to said side walls 7 and extending inwardly therefrom and terminating short of each other between said side walls 7 to provide a slot 14 along the member 4 opposite the bottom wall 8,

and a coiled lifting spring 10 located within the tubular member 4 and retained therein by the last-named flanges 15,

said spring 10 being connected at one end 13 to the tubular member and having its other end 17 available for connection with a sash through the slot in the tubular member 4.

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Respondent.

REPLY BRIEF FOR PETITIONERS.

Re Petition for Writ of Certiorari to the United States Court of Appeals for the Seventh Circuit.

CLARENCE E. THREEDY,
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Respondent.

REPLY BRIEF FOR PETITIONERS.

Re Petition for Writ of Certiorari to the United States Court of Appeals for the Seventh Circuit.

To the Honorable the Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

I.

Respondent Asserts That the Decision of the Court of Appeals Is Based Entirely Upon and Relates Solely to the Particular Facts of the Case Below and Presents No Unique Question of Public Interest or Importance.

No decision which for the first time decides the novel and important question presented by this petition, could

be said to be a decision presenting no question of public importance and one which relates solely to the particular facts of the case below.

The decision of the Court of Appeals for the Seventh Circuit is far-reaching. The number of patent licenses affected thereby cannot be estimated.

Nor does a decision of a Court of Appeals relate solely to the particular facts of the case below and present no question of public importance, where the ultimate result of such decision is to create confusion and doubt in the minds of patent owners and their licensees with respect to whether they are to be subjected to a charge of violation of the Federal Anti-Trust Laws by joining as co-plaintiffs in a suit for patent infringement should the patent license on which they bottom their right to join as co-plaintiffs be held to be a license which does not extend to the patent claims sued upon but rather to those claims of the patent which were not in issue.

II.

Respondent Asserts That There Is No Conflict of Decision Between the Court of Appeals for the Seventh Circuit and the Decision of Any Other Court as to the Facts and Issues in the Case Below.

The question presented by the petitioners herein, so far as petitioners can determine, *has not been determined by this or any other court.* Respondent does not contend to the contrary. *The question presented is one of first impression.* It is to the interest of the public, particularly the members of the patent profession and others dealing or concerned with patents, that the question be settled by this Court to avoid a conflict of decisions and unnecessary and costly future litigation.

III.

It Is Argued by Respondent That Neither the Trial Court Nor the Court of Appeals Construed the License as Being Limited to the Claims Not Sued Upon.

On page 16 of respondent's brief there is quoted a portion of Finding of Fact 7 (R. 326). In quoting such portion of Finding of Fact 7, the respondent does not emphasize the recital in such Finding that while the license was not for the right to manufacture and sell the patented combination defined in and by claims 1 and 2 of the patent in suit, which were sued upon, such license granted the right to manufacture and sell weatherstrip and sash balance devices

> **"embodying the inventions shown, described and claimed in this patent [the patent in suit]."**

While the trial court in Finding of Fact 7 did not recite the claims of the patent which that court had in mind as defining the inventions which are to be embodied in the weatherstrip and sash balance devices to be manufactured under the license, the patent informs us that those inventions are claimed in claims 5 and 6 of the patent in suit. Therefore, the trial court by Finding of Fact 7 (R. 326) did by its decision limit the license to claims 5 and 6 wherein the inventions to be embodied in the devices manufactured and sold under the license are claimed.

IV.

Respondent Argues That Claims 5 and 6 (Which Define the Weatherstrip and Sash Balance Devices to Be Manufactured Under the License) Were Not in Issue Before the Trial Court.

For a determination of the question presented, it is of no moment that claims 5 and 6, which define the inventions to be embodied in the weatherstrip and sash balance devices manufactured and sold under the license, were not in issue before the lower court on the issues of infringement and validity. The question presented by the petition is whether or not the license, which by the trial court has been interpreted as one not extending to the claims sued upon, but rather as a license and right to manufacture and sell devices embodying the inventions claimed in other claims of that patent which were not in suit, violates the Federal Anti-Trust Laws.

Conclusion.

Petitioners repeat that the question presented by their petition is novel; that it has never been decided by this or any other court; that it is of great public importance not only because it involves an extension for the first time of the Federal Anti-Trust Laws to include within their folds a license such as is here involved, but also because, if left unsettled by this Court, great confusion and uncertainty would be likely to result, as heretofore stated.

In the march of jurisprudence toward the goal of perfection and understanding, this Court has contributed greatly to the reduction of litigation by unhesitantly settling novel questions of first impressions and of public importance, thereby avoiding possible conflict of decisions

between Courts of Appeals and unnecessary, lengthy and costly litigation.

Petitioners therefore respectfully submit that their petition for writ of certiorari to the Court of Appeals for the Seventh Circuit should be granted.

Respectfully submitted,

MASTER METAL STRIP SERVICE, INC.,
and MARTIN J. GOSSEN,
Petitioners,

By CLARENCE E. THREEDY,
Their Attorney.

NUNZIO GIAMBALVO,
Of Counsel.

Chicago, Illinois,
December 6, 1948.

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CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1948.

No. 361

MASTER METAL STRIP SERVICE, INC., AND MARTIN J. GOSSEN,

Petitioners,

vs.

PROTEX WEATHERSTRIP MFG. CO., A COPARTNERSHIP, CONSISTING OF JOHN W. MOUSTAKAS, ALIAS JOHN WEST, CATHERINE MOUSTAKAS, AND LOUIS MOUSTAKAS,

Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO THE PETITION FOR A WRIT OF CERTIORARI.

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Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO THE PETITION FOR A WRIT OF CERTIORARI.

To the Honorable Chief Justice of the United States, and the Associate Justices of the Supreme Court of the United States:

INTRODUCTORY STATEMENT.

The petition for a writ of certiorari to the United States Court of Appeals for the Seventh Circuit seeks to have this Court review only that portion of the unanimous decision of the lower court (dated July 1, 1948, R. 408 to 413, inclusive), written by Judge William H. Sparks,

which affirmed in full the "Judgment" of Judge William H. Holly (R. 330 to 332, inclusive) in the United States District Court for the Northern District of Illinois, Eastern Division, at Chicago, finding that the petitioners (plaintiffs below) have misused the Gossen Patent No. 2,158,963, in suit, in violation of the Anti-Trust Laws, Title 15, U. S. C. A., Sections 1, 2, 3, 4, 15 and 26, in attempting to monopolize an unpatented weatherstrip which is sold by the petitioner corporation (Plaintiffs' Exhibit No. 13) and which forms but a single and unpatented element of the combination of elements which is recited in claims 1 and 2 of Gossen patent No. 2,158,963, in suit (Findings of Fact Nos. 7, 8, 9, 10, 11, R. 326, 327, and Conclusions of Law Nos. 2, 4, 6, 7 and 8, R. 328, 329).

The petition for a writ of certiorari herein does not question that portion of the unanimous decision of the Court of Appeals which affirmed in full the judgment of the District Court (R. 331) holding claims 1 and 2 of the Gossen Patent No. 2,158,963, in suit, invalid for lack of invention, nor does the petition herein question that portion of the decision of the Court of Appeals (R. 413, last paragraph) which approved the procedure of the District Court in finding it unnecessary to rule upon the alleged infringement of claims 1 and 2 of the Gossen patent No. 2,158,963, in suit, in view of the Court's finding that these claims are invalid for lack of invention.

The petitioner, Master Metal Strip Service, Inc., is an Illinois corporation, having its principal place of business located in Chicago, Illinois, and the petitioner, Martin J. Gossen, is a resident of the city of Milwaukee, Wisconsin.

The respondent, Protex Weatherstrip Mfg. Co. (defendant below), is a copartnership, consisting of John W. Moustakas, also known as John West, Catherine Moustakas, and Louis Moustakas, having its principal place of business located in the city of Chicago, Illinois.

The petitioner, Martin J. Gossen, is the patentee named in, and is the owner of the legal title to, the Gossen Patent No. 2,158,963, in suit (R. 351 to 358, inclusive), granted May 16, 1939 on "Weatherstrip and Sash Balance".

The petitioner, Master Metal Strip Service, Inc., is the successor in business and in interest to the exclusive licensee named in an exclusive license agreement (Plaintiffs' Exhibit No. 8, R. 256 to 263), dated July 18, 1939 between the petitioner, Martin J. Gossen, and Maurice S. Oftedal, doing business as Master Metal Strip Service Co. (Finding of Fact No. 5, R. 325, 326).

The petitioners do not manufacture or sell window frames or window sash, as disclosed in the Gossen Patent No. 2,158,963, in suit, and as defined in claims 1 and 2 thereof, in suit, below (Findings of Fact Nos. 10 and 11, R. 327) and the respondent did not between the date of the issuance of the Gossen patent No. 2,158,963, in suit, on May 16, 1939 and the time of the trial in the District Court on April 24, 25 and 28, 1947, manufacture or sell any window frames or window sash of the character disclosed in the Gossen Patent No. 2,158,963 and as defined in claims 1 and 2 thereof, in suit (Finding of Fact No. 9, R. 326 to 327).

The petitioners merely manufacture and sell their commercial weatherstrip and they sell a coiled lifting spring for use therewith. The respondent manufactures and sells its alleged infringing weatherstrip construction. The respondent also sells coiled lifting springs for use with its alleged infringing weatherstrip (John W. Moustakas, R. 77 to 80, inclusive). These coiled lifting springs are not manufactured by the respondent but are purchased from a coil spring manufacturer (John W. Moustakas, R. 78).

The litigation below arose out of the competition between the corporate petitioner and the respondent in the

business of manufacturing and selling their respective unpatented weatherstrips.

Under the exclusive license agreement (Plaintiffs' Exhibit No. 8, R. 256 to 263, inclusive) the royalties payable by the exclusive licensee to the petitioner-patentee, Martin J. Gossen, were made expressly payable, not upon the complete combination of elements recited in combination claims 1 and 2 of the Gossen patent No. 2,158,963, in suit, but upon a single unpatented element thereof, namely, petitioners' commercial weatherstrip (Plaintiffs' Exhibit No. 11).

The original complaint (R. 2 to 5, inclusive) charged the respondent with infringement of all of the claims 1 to 8, inclusive, of Gossen patent No. 2,158,963, in suit, as well as with infringement of all of claims 1 to 11, inclusive, of a second Gossen patent No. 2,257,051. Thereafter, by way of a counterclaim for declaratory judgment (R. 14 to 20, inclusive), the respondent brought into the case a third Gossen patent which the petitioners charged the respondent to infringe but upon which they had not elected to sue in the complaint. However, prior to trial, by a "Notice and Bill of Particulars" (R. 59), the petitioners waived the charge of infringement as to all but two of the numerous claims of the three Gossen patents which they had charged the defendant to infringe and the case was dismissed with prejudice as to such claims, which were claims 3 to 8, inclusive, of Gossen patent No. 2,158,963, claims 1 to 11, inclusive, of Gossen patent No. 2,257,051, and claims 1 to 8, inclusive, of Gossen patent No. 2,101,577 (Conclusion of Law No. 9, R. 330, and Paragraph (2) of the "Judgment" of the District Court, R. 331), leaving only claims 1 and 2 of Gossen patent No. 2,158,963 in issue in the case below.

The case below was thereupon tried upon claims 1 and 2 of the Gossen patent No. 2,158,963, and the issues as to the

alleged direct and contributory infringement of claims 1 and 2 of the Gossen patent No. 2,158,963 were thoroughly developed and exploited at the trial.

The District Court held claims 1 and 2 of the Gossen patent No. 2,158,963, in suit, invalid for lack of invention over the prior art (Findings of Fact Nos. 12, 13, 14 and 15, R. 327, 328 and Conclusions of Law Nos. 4 and 5, R. 329, and Paragraph (3) of the "Judgment" of September 12, 1947, R. 331), and in view of the finding of invalidity the District Judge found it unnecessary to rule specifically upon, and he did not rule specifically upon, the alleged direct infringement or the alleged contributory infringement of claims 1 and 2 of the Gossen patent No. 2,158,963, in suit. In so doing, he was acting within the proper exercise of his discretion, and in respect thereto he was affirmed by the Court of Appeals for the Seventh Circuit in its decision under the authority of the cases therein cited (last paragraph of the opinion of the Court of Appeals, R. 413).

Thus the petition for a writ of certiorari herein seeks to bring before this Court for review Conclusions of Law Nos. 6, 7 and 8 (R. 329, 330) and the corresponding provisions of the "Judgment" entered by the District Court (R. 330, 331, 332) which relate to the finding of the lower courts that the petitioners have misused the Gossen patent No. 2,158,963, in suit, and as a result thereof have violated the Anti-Trust laws.

As Conclusions of Law Nos. 6, 7 and 8 (R. 329, 330) the District Judge concluded that:

> "(6) In and by their license agreement of July 18, 1939 (Plaintiffs' Exhibit No. 8) and their operations thereunder, and in bringing this action, the plaintiffs have attempted to and have conspired to maintain an illegal monopoly, and have combined in restraint of trade in an unpatented article of commerce, namely a metal weatherstrip-sash balance device, as exemplified

by Plaintiffs' Exhibit No. 13, and in so doing the plaintiffs have violated the Anti-Trust Laws of the United States (Title 15, U. S. C. A., Sections 1, 2, 3, 4, 15 and 26);

(7) By reason of the plaintiffs' violation of the Anti-Trust Laws, the defendant is entitled to the relief provided by law for such violation, and as prayed for in the defendant's counterclaim of July 27, 1946, including:

(1) an injunction enjoining and prohibiting the plaintiffs and each of them, their officers, agents, servants, attorneys, employees, and all others acting by and under their direction or authority, their successors and assigns, from:

(a) Bringing suit for infringement of the Gossen patent No. 2,158,963, against defendant's customers or prospective customers, or directly or indirectly threatening defendant's customers or prospective customers with suits for infringement of the Gossen patent No. 2,158,963, or from in any manner interfering with defendant's business by use of the Gossen Patent No. 2,158,963;

(b) Enforcing or carrying out, directly or indirectly, against the defendant, its customers or prospective customers, any of the provisions of the aforesaid license agreement of July 18, 1939 (Plaintiffs' Exhibit No. 8) or any other license agreement identical therewith or similar thereto, or having the same purpose or effect as the aforesaid license agreement and involving the Gossen patent No. 2,158,963 and

(2) an accounting for three-fold damages, if any, suffered by the defendant by reason of the aforesaid unlawful acts of the plaintiffs together with defendant's disbursements and reasonable attorney's fees;

(3) defendant's costs in this Court to be taxed by the Clerk, for which defendant may have execution;

(8) By reason of their aforesaid violation of the Anti-Trust Laws of the United States, as interpreted by the Supreme Court of the United States in the Mercoid cases (*Mercoid Corporation* v. *Mid-Continent Investment Co., et al.*, 64 S. Ct. 268, and *Mercoid Corporation* v. *Minneapolis-Honeywell Regulator Co.*, 64 S. Ct. 278) the plaintiffs are barred from maintaining this action against the defendant;"

A petition for rehearing, filed by the petitioners herein, was denied by the Court of Appeals on September 24, 1948 (R. 414).

The present petition for a writ of certiorari, and the brief in support thereof, are largely a repetition and a restatement of points vigorously urged in the petition for rehearing below, coupled with the usual assertions that the Court of Appeals committed error and decided a question of great public importance.

SUMMARY OF ARGUMENT.

I.

Contrary to the contention of the petitioners, as set forth under Point 1 of the reasons relied upon in support of the petition (page 8 thereof), the District Court and the Court of Appeals have not at any time construed the petitioners' license agreement (Plaintiffs' Exhibit No. 8, R. 256 to 263) as limiting the rights and privileges granted to the licensee thereunder merely to the right to manufacture and sell the petitioners' unpatented weatherstrip and coiled lifting spring therefor and as not granting to the licensee the right to manufacture and sell the complete combination of elements recited in claims 1 and 2 of the Gossen patent No. 2,158,563, in suit.

II.

The petition for a writ of certiorari in this Court, like the petition for rehearing in the Court of Appeals, attempts to reinject into this case two claims, namely, claims 5 and 6 of the Gossen patent No. 2,158,963, which were not before the Court of Appeals and which were not in issue before the District Court since these claims were voluntarily withdrawn by the petitioners in their "Notice and Bill of Particulars" (R. 59) which was filed prior to the trial in the District Court but after the petitioners had been charged by the respondent with violation of the Anti-Trust Laws (Defendant's Counterclaim of July 27, 1946, R. 50 to 53).

III.

The decision of the Court of Appeals for the Seventh Circuit correctly applies and follows the law and is in strict conformity with and is in no way an expansion or an extended application of the decisions of this Court in *Mercoid Corporation* v. *Mid-Continent Investment Co., et al.*, 64 S. Ct. 268, 320 U. S. 661, and *Mercoid Corporation* v. *Minneapolis-Honeywell Regulator Co.*, 64 S. Ct. 278, 279, 280, 320 U. S. 680.

IV.

The decision of the Court of Appeals is based entirely upon and relates solely to the particular facts of the case below and presents no unique or important question of law.

V.

There is no conflict between the decision of the Court of Appeals below and the decision of any other Court of Appeals, or between the decision of the Court of Appeals and the decisions of this Court in the Mercoid cases (*Mercoid Corporation* v. *Mid-Continent Investment Co., et al.*, 64 S. Ct. 268, 320 U. S. 661, and *Mercoid Corporation* v. *Minneapolis-Honeywell Regulator Co.*, 64 S. Ct. 278, 279, 280, 320 U. S. 680).

POINTS AND AUTHORITIES.

I.

The decision of the Court of Appeals for the Seventh Circuit (R. 408 to 413, inclusive) is based entirely upon and relates solely to the particular facts of the case below and presents no unique question of public interest or importance and, under these circumstances, the petition for the writ herein sought should be denied.

Caroline M. Forsythe v. *City of Hammond, et al.*, 166 U. S. 506, 514, 515, 41 L. Ed. 1095, 1098, 1099.

Rule 38, Par. 5, Secs. (a) and (b) of the Rules of the Supreme Court of the United States.

Layne and Bowler Corporation v. *Western Well Works, Inc., et al.*, 261 U. S. 387, 393, 67 L. Ed. 712.

II.

There is no conflict of decision between the decision of the Court of Appeals and the decision of any other court as to the facts in issue in the case below, and there being no conflict between the decision of the Court of Appeals and the decisions of this Court in the Mercoid cases (*Mercoid Corporation* v. *Mid-Continent Investment Co., et al.*, 64 S. Ct. 268, 320 U. S. 661, and *Mercoid Corporation* v. *Minneapolis-Honeywell Regulator Co.*, 64 S. Ct. 278, 279, 280, 320 U. S. 680) no occasion exists for the issuance of the writ prayed for by the petitioners.

Caroline M. Forsythe v. *City of Hammond, et al.*, 166 U. S. 506, 514, 515, 41 L. Ed. 1095, 1098, 1099.

Rule 38, Par. 5, Secs. (a) and (b) of the Rules of the Supreme Court of the United States, as amended.

Sec. 240(a) of the Judicial Code, as amended (U. S. C. A., Title 28, Sec. 347).

III.

The District Court and the Court of Appeals correctly held that the attempts of the petitioners, under the guise of alleged contributory infringement, to assert and maintain a monopoly in an unpatented article of commerce, which constitutes but a single element of their combination patent claims, is a violation of the Anti-Trust Laws.

Mercoid Corporation v. *Mid-Continent Investment Co., et al.*, 64 S. Ct. 268, 320 U. S. 661, and

Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.*, 64 S. Ct. 278, 279, 280, 320 U. S. 680.

ARGUMENT.

The essential facts are set forth hereinbefore in the "Introductory Statement" and hence need not be repeated here.

I.

The Statement of the "Question Presented", as Set Forth on Pages 7 and 8 of the Petition, Is an Entirely Erroneous Misstatement and Misinterpretation of the Judgment of the District Court and of the Decision of the Court of Appeals.

Under the heading "Question Presented" in the petition (pages 7 and 8) the petitioners erroneously attempt to make it appear that the question sought to be reviewed is as set forth in the following somewhat nebulous statement:

> "Do a patent owner and licensee act against public policy in restraint of trade and in violation of the Federal Anti-Trust Laws by their operations under a patent license which, contrary to their mutual belief and understanding, has been interpreted, in a suit, brought by the patent owner and licensee as co-plaintiffs, for infringement of certain claims of the patent, as a license which does not extend to all of the claims of the patent, particularly the certain claims sued upon?"

Both the thought and the expression thereof in the petitioners' above-quoted statement of the "Question Presented" are confused and garbled. However, the essence thereof appears to be an entirely erroneous contention to the effect that the District Court and the Court of Appeals have construed the petitioners' license agreement (Plain-

tiffs' Exhibit No. 8, R. 256 to 263, inclusive) as limiting the scope of the rights and privileges granted thereby to the licensee to a license merely to manufacture and sell the petitioners' unpatented weatherstrip (Plaintiffs' Exhibit No. 13) and the petitioners' unpatented coil spring employed therewith, considered jointly, and as defined in claims 5 and 6 of the Gossen patent No. 2,158,963, and as *not* granting to the licensee any right to manufacture or sell the complete combination of elements recited in claims 1 and 2 of the Gossen patent No. 2,158,963, in suit.

This contention is entirely fallacious because it confuses two things, namely, (a) the scope of the rights and privileges granted to the licensee in and by the license agreement, and (b) the actual *res* or subject matter of the license agreement in which the parties thereto were directly and financially interested and which they contemplated would be manufactured and sold thereunder and upon which royalties were paid by the licensee to the licensor, namely, the petitioners' unpatented commercial weatherstrip, as exemplified by Plaintiffs' Exhibit No. 13.

II.

Contrary to the Contention of the Petitioners in Their Petition for the Writ Herein Sought (Pages 5, 6, 7, 8, 9, 13 and 14) the District Court and the Court of Appeals Have Not at Any Time Construed the Petitioners' License Agreement (Plaintiffs' Exhibit No. 8, R. 256 to 263) as Limiting the Rights and Privileges Granted to the Licensee Thereunder Merely to the Right to Manufacture and Sell the Petitioners' Unpatented Weatherstrip and Coiled Lifting Spring Therefor and as Not Granting to the Licensee the Right to Manufacture and Sell the Complete Combination of Elements Recited in Claims 1 and 2 of the Gossen Patent No. 2,158,963, in Suit.

In their petition for the writ herein sought (pages 5, 6, 7, 8, 9, 13 and 14) the petitioners resort to a curious and strained, if not completely facetious, construction of the Findings of Fact of the District Court, and particularly of Finding of Fact No. 7, (R. 326), in order to make it appear that the District Court and the Court of Appeals have construed the Petitioners' license agreement (Plaintiffs' Exhibit No. 8, R. 256 to 263) as limiting the rights and privileges granted to the licensee thereunder merely to the right to manufacture and sell the petitioners' unpatented weatherstrip, as exemplified by Plaintiffs' Exhibit No. 13, and a coiled lifting spring for use therewith, and as not granting to the licensee the right to manufacture and sell the complete combination of elements recited in claims 1 and 2 of the Gossen Patent No. 2,158,963, in suit.

Nothing could be further from the truth. As pointed out hereinbefore, this contention thus advanced by the petitioners is entirely fallacious because it confuses two things, namely (a) the scope and privileges granted to the licensee in and by the license agreement, and (b) the actual

res or subject matter of the license agreement in which the parties thereto were directly financially and commercially interested and which they contemplated would be manufactured and sold thereunder and upon which royalties were to be paid by the licensee to the licensor, namely, the petitioners' unpatented commercial weatherstrip, as exemplified by Plaintiffs' Exhibit No. 13.

That both the District Court and the Court of Appeals fully appreciated that the petitioners' license agreement did not limit the scope of the rights and privileges granted thereby to the licensee but, on the contrary, gave the licensee the right and privilege of manufacturing and selling under all of the claims of the Gossen patent No. 2,158,963, in suit, without restriction or qualification, is clearly shown by the District Court's Finding of Fact No. 6, which was approved by the Court of Appeals, and which reads as follows (R. 326):

> "Under the exclusive license agreement of July 18, 1939 (Plaintiffs' Exhibit No. 8), the plaintiff, Martin J. Gossen, granted to the said Maurice S. Oftedal, doing business as Master Metal Strip Service Co., the predecessor in business and in interest of the corporate plaintiff, Master Metal Strip Service, Inc., *the exclusive right to manufacture and sell,* throughout the entire United States, exclusive of the State of Wisconsin, and in the Dominion of Canada, *under Gossen patent No. 2,158,963 in suit.*"

It will be noted that in its above-quoted Finding of Fact No. 6 the District Court found, *without limitation or qualification of any character, and without limitation as to any claim or claims of the Gossen patent No. 2,158,963, in suit,* that under the exclusive license agreement (Plaintiffs' Exhibit No. 8, R. 258 to 253) the exclusive licensee was granted.

> "• • • *the exclusive right to manufacture and sell,* throughout the entire United States, exclusive of the

State of Wisconsin, and in the Dominion of Canada, *under Gossen patent No. 2,158,963 in suit.*"

Having thus found in Finding of Fact No. 6 (R. 326), without limitation or qualification of any character, that the exclusive license agreement granted to the licensee the exclusive right to manufacture and sell under Gossen Patent No. 2,158,963, in suit, *without limitation or restriction as to any claim or claims thereof,* the District Court then went on, in Findings of Fact Nos. 7 and 8 (R. 326), to find that the actual *res* or subject matter of the license agreement, in which the parties were directly financially and commercially interested, and which they contemplated would be manufactured and sold thereunder, and upon which royalties were to be paid by the licensee to the licensor,

> "* * * was *not* the patented combination defined in and by claims 1 and 2 of the Gossen patent No. 2,158,963, in suit, but the weatherstrip and sash balance devices embodying the invention shown, described and claimed in this patent and which constitute a single element of the combination recited in claims 1 and 2 of the Gossen patent No. 2,158,963, in suit, and which is exemplified by plaintiffs' commercial weatherstrip (Plaintiffs' Exhibit No. 13)" (Finding of Fact No. 7, R. 326).

The District Court then went on, in Finding of Fact No. 8, (R. 326), to construe the provisions of the plaintiffs' license agreement which relate to the payment of royalties thereunder.

It will thus be seen that the alleged error of which the District Court and the Court of Appeals are accused, in interpreting the petitioners' license agreement, is merely an error, if such it may be called, on the part of the petitioners, and arises from the fact that the petitioners have:

> (a) completely and totally ignored the highly significant Finding of Fact No. 6 of the District Court

in which the District Court found, *without limitation or qualification, and without limitation or restriction as to any claim or claims of the Gossen patent No. 2,158,963, in suit, that the license agreement granted the licensee the exclusive license to manufacture and sell under the Gossen patent No. 2,158,963 in suit;* (R. 326) and

(b) misconstrued Findings of Fact Nos. 7 and 8 (R. 326) in which the District Court construed and interpreted the license agreement in the light of the pleadings and the evidence and, in so doing, found that the actual *res* and subject matter thereof in which the parties to the license agreement were directly financially and commercially interested, and which they contemplated would be manufactured and sold thereunder, and upon which royalties would be paid by the licensee to the licensor, was not the complete combination of elements recited in claims 1 and 2 of the Gossen patent No. 2,158,963, in suit, but the plaintiffs' unpatented commercial weatherstrip, as exemplified by Plaintiffs' Exhibit No. 13.

It will thus be seen that, contrary to the erroneous contention of the petitioners in their petition for the writ herein sought, the District Court and the Court of Appeals have not at any time construed the petitioners' license agreement *as limiting* the rights and privileges granted to the licensee under the license agreement to the right to manufacture and sell the complete combination of elements recited in claims 1 and 2 of the Gossen patent No. 1,158,-963, in suit, but have merely determined that the actual *res* or subject matter of the license, in which the parties were directly financially and commercially interested, and which they contemplated would be manufactured and sold thereunder, was not the complete combination of elements recited in claims 1 and 2 of the Gossen patent No. 2,158,963, in suit, but the plaintiffs' unpatented commercial weather-strip, as exemplified by plaintiffs' Exhibit No. 13.

This being true, the so called "Question Presented,"

as set forth on pages 7 and 8 of the petition for the writ herein sought, does not, in fact, exist, and the reasons relied upon by the petitioners for the allowance of the petition, as set forth on pages 8 and 9 thereof, and the argument advanced on pages 13, 14 and 15 of the brief in support of the petition, are entirely without merit, and should fail.

III.

The Petition for the Writ Herein Sought Is Based Largely Upon Two Claims of the Gossen Patent No. 2,158,963, Namely, Claims 5 and 6, Which Were Not Before the District Court or the Court of Appeals Since These Claims Were Voluntarily Withdrawn by the Petitioners In Their "Notice and Bill of Particulars" (R. 59) Which Was Filed Prior to the Trial But After the Petitioners Had Been Charged by the Respondent With Violation of the Anti-Trust Laws (Defendant's Counterclaim of July 27, 1946 (R. 50 to 53)).

It is significant to note that the petition for the writ herein sought is based largely upon two claims of the Gossen Patent No. 2,158,963, namely, claims 5 and 6, which were not before the District Court, and were not before the Court of Appeals, since these claims were voluntarily withdrawn by the petitioners, prior to the trial in the District Court, in and by the petitioners' "Notice and Bill of Particulars" (R. 59) which was filed after the petitioners had been charged by the respondent with violation of the Anti-Trust Laws in and by defendant's counterclaim of July 27, 1946 (R. 50 to 53).

It will be noted, in this connection, that after the petitioners had charged the respondent with so-called contributory infringement of claims 1, 2, 3, 5, 6 and 8 of Gossen Patent No. 2,158,963 (in and by an amendment to

the complaint designated Paragraph VIIIA thereof, and which was filed July 17, 1946, R. 42, 44, 45), by reason of the respondent's manufacture and/or sale of its weatherstrip-sash balance unit, as illustrated in respondent's circular (Plaintiffs' Exhibits Nos. 1, 2 and 4, R. 239, 241), the respondent, on July 27, 1946, filed a counterclaim charging the petitioners with violation of the Anti-Trust Laws (Title 15, U. S. C. A., Secs. 1, 2 and 3) in conspiring to assert and maintain, and in attempting to assert and maintain, under the guise of the Gossen patent No. 2,158,963, in suit, a monopoly in unpatented articles of commerce, namely, defendant's weatherstrip-sash balance unit and coiled lifting spring therefor, separately and in combination (Par. (5), R. 51). With full knowledge of the fact that they had thus been charged by the respondent with violation of the Anti-Trust Laws, the petitioners shortly thereafter, namely, on July 27, 1946, withdrew claims 5 and 6, upon which they now rely in support of the petition for the writ herein sought. The voluntary withdrawal of claims 5 and 6 by the petitioners was accomplished in and by their "Notice and Bill of Particulars," which read as follows (R. 59):

"NOTICE AND BILL OF PARTICULARS.

To the Above-Named Defendant and Its Counsel:

After due consideration and examination of the defendant's structure as shown and described in Plaintiffs' Exhibits 1, 2, 3 and 4 attached to plaintiffs' Interrogatories heretofore filed in this cause on June 13, 1946, plaintiffs hereby notify defendant and its counsel by way of bill of particulars that of claims 1, 2, 3, 5, 6, and 8 of Patent No. 2,158,963 and claims 1, 2, 3, 4, 8, 9, 10 and 11 of Patent No. 2,257,051, plaintiffs at the trial of the above-entitled cause will rely solely upon claims 1 and 2 of Patent No. 2,158,963 in suit as the basis for plaintiffs' charge of infringement sufficient for this cause.

Signed at Chicago, Illinois, this 21st day of August, 1946.

MASTER METAL STRIP SERVICE, INC.,
an Illinois corporation, and
MARTIN J. GOSSEN,
By CLARENCE E. THREEDY,
Their Attorney.

Received two copies of the foregoing notice and bill of particulars this 21st day of August, 1946.

FERD BING,
CHARLES B. CANNON,
Attorneys for Defendant."

It is submitted, therefore, that the petitioners belated attempt to reinject voluntarily abandoned claims 5 and 6 of the Gossen patent No. 2,158,963 into this case, in an attempt to provide a basis for the petition for the writ herein sought, is entirely improper and wholly without merit.

IV.

The Judgment of the District Court, and the Decision of the Court of Appeals for the Seventh Circuit Both Correctly Applied and Followed the Law and Are In Strict Conformity With and Are In No Way an Expansion or an Extended Application of the Decisions of This Court In Mercoid Corporation v. Mid-Continent Investment Co., et al., 64 S. Ct. 268, 320 U. S. 661, and Mercoid Corporation v. Minneapolis-Honeywell Regulator Co., 64 S. Ct. 278, 279, 280, 320 U. S. 680.

The charge of infringement as to claims 1 and 2 of the Gossen patent No. 2,158,963, in suit, as set forth in the original complaint (R. 2 to 5, inclusive) did not specify whether the alleged infringement by the respondent was direct or contributory. However, in an amendment to the complaint, designated Paragraph VIIIA thereof (R. 42,

44, 45), the petitioners charged the respondent with contributory infringement of (among others) claims 1 and 2 of Gossen patent No. 2,158,963, by reason of the respondent's manufacture and/or sale of its weatherstrip-sash balance unit as illustrated in respondent's circulars (Plaintiffs' Exhibits Nos. 1, 2 and 4, R. 239, 241). The reason for this charge of so-called contributory infringement was the fact that it had been developed in and by the pleadings, and particularly by the plaintiffs' interrogatories to the defendant-respondent (R. 23) and the answers of the defendant-respondent thereto (R. 30 to 33), that the respondent does not manufacture or sell the complete combination of the four elements called for in and by claims 1 and 2 of the Gossen patent No. 2,158,963, in suit, but manufactures only one element thereof, namely the weatherstrip unit, and sells for use therewith a coiled lifting spring, but has never manufactured or sold the other two elements called for in these claims, namely, the window frame and the window sash in which the weatherstrip and coiled lifting spring therefor are mounted.

As Conclusions of Law Nos. 6 and 8 (R. 329, 330) the District Judge concluded that:

> "(6) In and by their license agreement of July 18, 1939 (Plaintiffs' Exhibit No. 8) and their operations thereunder, and in bringing this action, the plaintiffs have attempted to and have conspired to maintain an illegal monopoly, and have combined in restraint of trade in an unpatented article of commerce, namely a metal weatherstrip-sash balance device, as exemplified by Plaintiffs' Exhibit No. 13, and in so doing the plaintiffs have violated the Anti-Trust Laws of the United States (Title 15, U. S. C. A., Sections 1, 2, 3, 4, 15 and 26);
>
> (8) By reason of their aforesaid violation of the Anti-Trust Laws of the United States, as interpreted by the Supreme Court of the United States in the *Mercoid* cases (*Mercoid Corporation* v. *Mid-Continent*

Investment Co., et al., 64 S. Ct. 268, and *Mercoid Corporation* v. *Minneapolis-Honeywell Regulator Co.*, 64 S. Ct. 278), the plaintiffs are barred from maintaining this action against the defendant;"

That both the District Judge and the Court of Appeals for the Seventh Circuit were thus correct in finding that the activities of the petitioners herein, in attempting to monopolize an unpatented element of a patented combination, under the guise of a charge of so-called contributory infringement, are in violation of the Anti-Trust laws, is clearly established by the decisions of this court in the Mercoid cases (*Mercoid Corporation* v. *Mid-Continent Investment Co., et al.*, 64 S. Ct. 268, and *Mercoid Corporation* v. *Minneapolis-Honeywell Regulator Co.*, 64 S. Ct. 278).

Thus in the case of *Mercoid Corporation* v. *Minneapolis-Honeywell Regulator Co.*, 64 S. Ct., 278, 320 U. S. 680, this court, by Mr. Justice Douglas, stated as follows at page 280:

"The fact that an unpatented part of a combination patent may distinguish the invention does not draw to it the privileges of a patent. That may be done only in the manner provided by law. *However worthy it may be, however essential to the patent, an unpatented part of a combination patent is no more entitled to monopolistic protection than any other unpatented device. For as we pointed out in Mercoid* v. *Mid-Continent Investment Co., supra, a patent on a combination is a patent on the assembled or functioning whole, not on the separate parts. The legality of any attempt to bring unpatented goods within the protection of the patent is measured by the anti-trust laws not by the patent law. For the reasons stated in Mercoid* v. *Mid-Continent Investment Co., supra, the effort here made to control competition in this unpatented device plainly violates the anti-trust laws, even apart from the price-fixing provisions of the license agreements. It follows that petitioner is entitled to be relieved against the consequences of those acts. It like-*

wise follows that respondent may not obtain from a court of equity any decree which directly or indirectly helps it to subvert the public policy which underlies the grant of its patent. Morton Salt Co. v. *G. S. Suppiger Co.*, 314 U. S. 488, 494, 62 S. Ct. 402, 406, 86 L. Ed. 363; *B. B. Chemical Co.* v. *Ellis*, 314 U. S. 495, 62 S. Ct. 406, 86 L. Ed. 367."

In the companion case (*Mercoid Corporation* v. *Mid-Continent Co., et al.*, 64 S. Ct. 268, 320 U. S. 661), this court, by Mr. Justice Douglas, stated as follows at page 272:

> "*The controversy centers around the license agreement between Mid-Continent and Minneapolis-Honeywell.* By that agreement Minneapolis-Honeywell received an exclusive license to make, use, sell, and to sub-license others to make, use, and sell the Cross Combination patent No. 1,758,146. *The royalty payments under the license, however, were to be based only upon sales of the combustion stoker switch which was an element of the combination patent embodied in the patented article but which was itself unpatented.*
>
> "* * * *We now add that it makes no difference that the unpatented device is part of the patented whole. That result may not be obviated in the present case by calling the combustion stoker switch the 'heart of the invention' or the 'advance in the art.' The patent is for a combination only. Since none of the separate elements of the combination is claimed as the invention, none of them when dealt with separately is protected by the patent monopoly.*"

It is submitted, therefore, that the decision of the District Judge, and the decision of the Court of Appeals for the Seventh Circuit, correctly apply and follow the law as established by this court in the Mercoid cases, *supra*, and are in no way an expansion or extended application thereof, and that the contention by the petitioners to this effect is wholly without merit.

V.

The Decisions of the District Judge and of the Court of Appeals for the Seventh Circuit Are Based Entirely Upon and Relate Solely to the Particular Facts of the Case Below and Present No Unique or Important Question of Law.

The decisions of the District Judge and of the Court of Appeals for the Seventh Circuit are based entirely upon and relate solely to the particular facts of the case below, and present no unique or important question of law. Under these circumstances it has long been held that the writ herein sought should be denied.

Thus in the case of *Caroline M. Forsythe* v. *City of Hammond, et al.*, 166 U. S. 506, 41 L. Ed. 1095, 1098, 1099, this Court, in reiterating a policy with respect to granting certiorari, even then long established, said, at pages 514 and 515:

> "* * * it is a power which will be sparingly exercised, and only when the circumstances of the case satisfy us that the importance of the question involved, the necessity of avoiding conflict between two or more courts of appeals, or between courts of appeal and the courts of a state, or some matter affecting the interests of this nation in its internal or external relations, demands such exercise."

In the case of *Layne and Bowler Corporation* v. *Western Well Works, Inc., et al.*, 261 U. S. 387, 67 L. Ed. 712, this Court said, at page 393:

> "* * * It is very important that we be consistent in not granting the writ of certiorari *except in cases involving principles the settlement of which is of importance to the public as distinguished from that of the parties*, and in cases where there is a real and embarrassing conflict of opinion and authority between

the circuit courts of appeal. The present case certainly comes under neither head."

VI.

There Is No Conflict of Decisions Between the Decision of the Court of Appeals for the Seventh Circuit, and the Decision of Any Other Court, as to the Facts in Issue in the Case Below, Which Would Justify the Granting of the Writ Herein Sought.

There is no conflict of decisions between the decision of the Circuit Court of Appeals for the Seventh Circuit, and the decision of any other court, as to the facts in issue in the case below, which would justify the granting of the writ herein sought.

Under these circumstances it has long been held that the writ herein sought should not be granted (*Caroline M. Forsythe* v. *City of Hammond, et al.*, 166 U. S. 506, 41 L. Ed. 1095, 1098, 1099, Sec. 240 (a) of the Judicial Code, as amended, U. S. C. A., Title 28, Sec. 347, Rule 38, Par. 5 Secs. (a) and (b) of the Rules of Supreme Court of the United States, as amended).

Conclusion.

For the reasons stated, and under the authorities cited, it is deemed that the decision of the Court of Appeals for the Seventh Circuit was, and should be, final, and that the petition fails to establish any reason why this Court should here grant the writ of certiorari for which the petitioners pray.

It is, therefore, submitted that the petition should be denied.

Respectfully submitted,

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Dated: December 3, 1948.
(All italics added.)